



January 15, 2021

UPDATED INDUSTRY-WIDE BULLETIN 20-08

RE: Alert: Escalating Incidents - Reports of Fraud

On November 20, 2020, the Marijuana Enforcement Division (MED) forwarded all Licensed Marijuana Business Owners the following Informational Bulletin alerting of incidents of reports of fraud. **Since this bulletin was published, incidents of fraud have escalated, thus increasing the need to alert all licensed employees of the necessity to be vigilant of all fraudulent attempts.**

November 20, 2020 Industry-Wide Bulletin 20-08:

On October 22, 2020, the Marijuana Enforcement Division (MED) forwarded all Licensees an Informational Bulletin from the Denver Police Department (DPD) about reports of several individuals attempting to scam or defraud Marijuana Businesses in the Denver area. Since sending out the original bulletin, MED staff has learned that the incidents of intended scams or fraud are not limited to the Denver-metro area but extend state-wide.

Similar to the attempts described in the DPD bulletin previously sent out, licensed businesses have reported receiving calls or texts from individuals:

- reporting a pending inspection;
- requesting employees take photos of fire extinguishers, emergency alarms, exits, safes, and marijuana products;
- impersonating an owner, manager, or their attorney instructing employees to deliver cash from the business to a location off-premises;
- impersonating law enforcement officers investigating counterfeit currency deposited at the business with further instruction to acquire prepaid purchase cards and disclose the card numbers over the phone;
- impersonating law enforcement officers investigating counterfeit currency resulting in the business's frozen bank accounts with further requests to deliver currency to an off-premises location for inspection;
- impersonating a marijuana industry supplier requesting to inspect the premises.

In each call or text, the suspect disclosed business owners or managers' names and relayed pertinent information about the business, gaining employees' trust. In certain instances, suspects successfully deceived employees into delivering cash or providing prepaid purchase card numbers, defrauding businesses of thousands of dollars.

To remain vigilant to ongoing fraudulent activity, verify the call or text's validity with a manager or owner before taking any action.

All suspicious activities should be reported to local law enforcement for investigation.

After reporting to law enforcement, all Regulated Marijuana Businesses and Licensees are obligated to report to the MED any discovered plan or other criminal activity identified in Rule 3-205 (B)(3) and Rule 3-920(B).

For incidents specific to fraud attempts and prior to making any further communication with the caller, immediately contact MED Supervisory Criminal Investigator John Cohen with MED at john.cohen@state.co.us or 720-361-7068.

A recent fraud attempt included the impersonation of an MED Investigator. Aside from requesting a business card and/or law enforcement credentials, verifying an MED Investigator's status as a state employee can be done by using the following search tool created by the Colorado Department of Personnel and Administration:

<https://apps.colorado.gov/apps/oit/directory/start.jsf>

Another method of verifying an MED Investigator can be done by contacting an MED Agent in Charge listed here:

<https://www.colorado.gov/pacific/enforcement/med-contact-us>